

The American Observer

A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe

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Reorganization of Government Planned

President Expected to Recommend Sweeping Changes in Federal Administration

COMMITTEES ARE AT WORK

Revamping of Machinery May Be First Item to Be Taken up Under Second Roosevelt Term

The present plans for reorganization of the federal government along lines of greater efficiency and economy are not the first effort that has been made to overhaul and remodel the entire governmental machinery. For at least 30 years, plans of one kind or another have been considered. And, contrary to popular belief, considerable progress has already been made, especially under our last two presidents. Mr. Hoover succeeded in making a number of important changes before he retired from office, and Mr. Roosevelt has likewise done a considerable amount of reorganization of the federal government's machinery.

Committees at Work

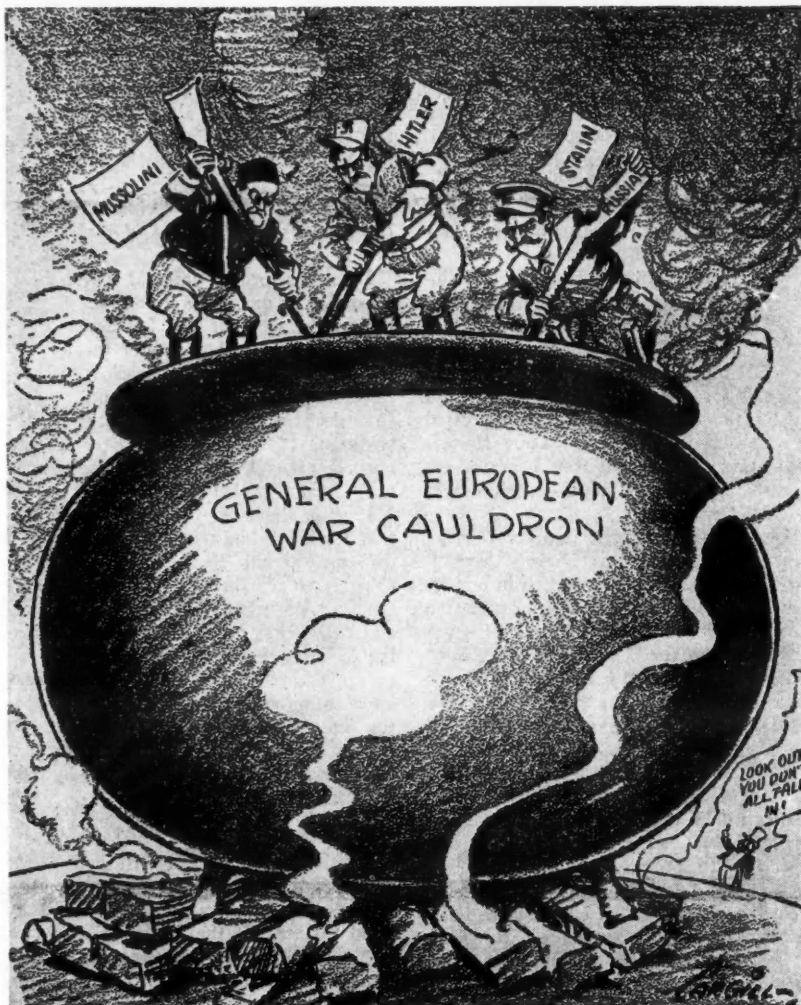
But, broadly speaking, there has never been a comprehensive program of government reorganization. That is why three committees are now at work studying the program with a view to making concrete recommendations for a plan of sweeping reorganization. The President has named one committee, the Senate has appointed a second, and the House of Representatives a third. It is predicted upon good authority that one of the first items to be taken up by the second Roosevelt administration will be overhauling the government's machinery, and the President is expected to make concrete recommendations to Congress when it convenes in January.

It is not difficult to see why the question of government reorganization is so necessary and at the same time so hard to realize. A man who has gone thoroughly into the whole question, Mr. W. F. Willoughby, put his finger on the central problem a few years ago when he declared: "The administrative branch has had a development analogous to that of a rambling group of buildings composed of successive accretions and wings, additions, sheds, and outlying structures, each erected to meet a specific need, but not designed with any reference to the production of a harmonious assembly of buildings."

To a certain extent, the various departments and agencies which administer the great work of government "just grew." As the work of government has become more complex, new agencies have been created for the purpose of carrying out the new functions. When the federal government was set up following the adoption of the Constitution, the functions were simple and required few agencies. The first executive department was the Department of Foreign Affairs, later called the Department of State. Later in the same year, 1789, the Departments of the Treasury and War were created. In the Washington cabinet, there was also the attorney general, whose function was to advise the president and the other cabinet members, but he did not preside over an executive department. After the creation of the Navy Department in 1798, no important additions or changes were made for more than 50 years.

After 1849, however, changes in the structure of the federal government were

(Concluded on page 8)



SPANISH STEW

—Cartoon in McKeesport (Pa.) Daily News

Sane Pursuit of Pleasure

From the Middle West comes the story of an interesting and constructive action in the direction of a much-needed social reform. The University of Iowa is reported to have established a "dry" night club. The club is "dry," however, only in the sense that intoxicating liquors are not served. It maintains the interest and attractiveness associated with other successful ventures in nocturnal entertainment. Good food and soft drinks are served. An excellent program is provided. One finds at this place, conducted by a state university, the tuneful music, the soft lights, the dancing, which are so popular in night clubs of the customary pattern. But here there is to be no drinking, no drunkenness. This university is making a new approach to an old and vexing problem. The authorities in every school are rightly concerned when students fall into drinking habits, but usually the attack upon intemperance is wholly negative. Drinking is forbidden by rule or is in other ways discouraged, but sometimes these injunctions have little effect. But in this case, positive action is taken. It is being demonstrated that beauty, attractiveness, artistry, can be maintained in an environment without association with drinking. The best of the so-called "night life" is maintained, with objectionable features eliminated.

Whether or not this particular plan accomplishes its purposes, there is great need for emphasis in every school upon the desirability of temperance. Alcoholic indulgence is debasing in its effects. There is no doubt about that. No one appears to a better advantage when he is drunk than when he is sober. He may act like a clown and people may laugh, but who wants to be a clown? One who hasn't the education, the breadth of interests, the cultural training, which enable him, when his mind is functioning normally, to find life entertaining and zestful, may find release from boredom by getting drunk. Then he loses the restraints associated with adult life and simple or silly things seem temporarily to be highly interesting. That is the secret of the presumed joys of drinking. But it is far better to find stimulation and enjoyment through experiences which one can appreciate when in possession of all his mental powers. The man or woman who shuns drink, who holds to a course of sobriety, will have better health and a better brain. Such a person will enjoy life more consistently and will run fewer risks of breakdown and failure. There is need in every school for the building of a strong public opinion in favor of temperance, so that even the weaker-willed among the students will not be tempted to fall in line with those who think it is smart to drink. As a matter of fact, it is smart to be sane, strong, vigorous and keen-minded; to be clever enough to function socially without resort to stimulants.

'Little World War' Is Waged in Spain

Germany, Italy, and Russia Have Become Deeply Involved in Civil Conflict

FEARS FOR EUROPE'S PEACE

British and French Make Desperate Efforts to Prevent Crisis from Taking More Serious Turn

It is reported from Paris that the Spanish civil war is now commonly referred to as "The Little World War." The struggle behind the Pyrenees is no longer (if it ever was) a conflict between Spaniards and Spaniards. It has developed into an international armed contest involving Italy, Germany, and Russia, principally, and France and Great Britain indirectly. Spain is the battlefield, but all the fighters are not Spaniards, nor all the guns, airplanes, munitions, tanks, and warships the property of Spaniards. Across the mountains and valleys of the Iberian Peninsula, Germans and Italians are locked in battle with Russians. These three nations have so deeply involved themselves in the Spanish civil war that one wonders how they will ever extricate themselves peacefully from the maelstrom.

Threat of War

Indeed, so serious has the situation in Europe become that some competent observers are inclined to think that the much-talked-of "next war" may have already begun. They believe it possible that the international struggle which has grown out of the civil war in Spain is one which cannot be settled on Spanish battlefields, and which will eventually engulf the entire continent. This, of course, is nothing more than a surmise, but it shows how grave is the condition of Europe today.

Twenty weeks ago, when the civil war started, it was expected that it would be nothing more than a routine, if bloody, conflict between the divided elements of a single country. It was not known at that time that the leader of the rebels, General Francisco Franco, had established contact with Berlin and Rome before undertaking to seize the government of Spain. Nor was it known that Italy and Germany were prepared to back up Franco, to an extent as yet undetermined, for the purpose of seeing a sympathetic fascist government established in that strategically located nation.

But it was not long before the import of events in Spain became clear. It is conceded now that Franco, with the Moors and foreign legionaries whom he hustled over from Morocco, would have been roundly defeated by the loyalists had it not been for the foreign assistance he received. The long arms of Germany and Italy reached over to Spain and gave him the strength he needed to sweep rapidly over a large part of the country. Great Britain and France attempted to prevent such outside interference by negotiating a nonintervention agreement. But the interested nations paid lip-service to the agreement and continued with their aid.

It was not until Franco reached the gates of Madrid, however, that events in Spain took a really serious turn. To the surprise of the entire world his onslaughts against the capital were repulsed by the loyalists who seemed to have gained new life, new hope, and, most important, new



THE LAST SPANIARD—WILL IT COME TO THIS?

—Kirby in New York World-Telegram

supplies. It is generally believed that the life and hope came in the shape of men from Catalonia and from countries abroad, and that the supplies came from Russia and perhaps to some extent from France. It had been suspected before that the Russians were lending assistance to the loyalists, just as Germany and Italy were aiding the rebels, but it seems that such help did not come on a large scale until the siege of Madrid began. Russia, at first, had stood with Britain and France in demanding a policy of complete nonintervention, but when she saw that the agreement was being violated, she decided that she must take a hand.

As this is written, Franco is still battering Madrid, but the loyalists are holding fast. It is said that one-fourth of the city has been destroyed, that many of the people have been driven into the cellars for refuge, and that untold misery has been visited upon the population. But the loyalists continue to fight back with all the force at their command, and they have even launched an offensive against the rebel capital at Burgos.

Meanwhile, Franco is preparing to blockade the chief loyalist stronghold in Barcelona in an effort to cut off supplies from the outside world. An effective blockade will require the active coöperation of German and Italian ships with possible consequences which cannot be predicted. These nations have formally recognized the Franco government, indicating that further help will be readily forthcoming. Matters have reached such a point that a slight incident may excite a conflagration.

Why has this state of affairs developed? What have the nations to gain by turning the Spanish civil strife into an international tug of war? What can the Italians, Germans, and Russians have in mind when they flirt so consciously with warfare? And what of Britain and France?

The Larger Struggle

To seek an answer to these questions one must consider the larger struggle for power which has been developing steadily and bitterly between the nations. We have to consider an exceedingly intricate tangle of international relationships and national aspirations. Perhaps we can best approach an understanding of the situation by considering it from the viewpoint of the various nations concerned.

First let us take Italy. Ever since Mussolini bluffed Great Britain and the League of Nations into letting him conquer Ethiopia, that dictator has had a greatly enlarged conception of Italy's place in the Europe of the future. He sees Italy dominating the entire Mediterranean area, with Great Britain in a severely reduced position. Heretofore it is the British, with their stronghold in Gibraltar and their traditional bond of sympathy with Spain, who have held the whip. But the conquest of Ethiopia was the first break in Britain's armor. If Mussolini could establish a fascist government in Spain, indebted to

him, he would be taking another long step in his march to glory.

In addition, Mussolini scents the growth of radicalism, possibly of communism, in Spain. There is too much radicalism in Europe to suit him without having it gain a stronghold in Spain. A socialist or communist Spain would weaken fascism and might herald its eventual downfall. So here is an added and potent reason why Il Duce's fingers are dipped into the Spanish stew.

But while Italy's interest in Spain is understandable, why should Germany, situated so far away, be concerned over the civil war? There are several reasons, not the least important being the same fear of the spread of communism in Europe which chills the heart of Mussolini. Hitler views with alarm the events in France which have brought a liberal—to his mind a radical—Popular Front of parties into power, capped with a socialist premier. He knows that a victory for the loyalists in Spain will bolster the morale of the sorely pressed liberals and radicals in France. He believes that eventually it would mean communism in western Europe—a real danger to Nazi Germany.

Another outstanding reason for German intervention in Spain is Hitler's determination to strengthen his position in opposition to Russia. The alliance between the Soviets and France is a source of great bother to him for it stands in the way of German expansion to the east. He is desperately anxious to be assured of a neutral France and a neutral Britain in the event of war between Germany and Russia. A step toward this end will be taken if fascism can be rooted in Spain. France will be weakened by a fascist neighbor in back of her, ready to lend aid, and especially to provide military bases, to Germany and Italy. The Franco-Russian accord would thus be greatly weakened and perhaps broken up entirely, particularly if fascism in Spain should result in strengthening the anti-Russian conservatives in France, which many think it would.

Russia

Russia's attitude is easy to understand in the light of Germany's motives. The Russians know that if Hitler can neutralize western Europe and break up the Franco-

Soviets deny this and point out that the communists do not control the loyalist government, although they are undoubtedly a power in it. It is not certain, by any means, that a loyalist victory in Spain would mean communism, although it is, of course, possible. It would seem, however, that Russia's desire for national safety outweighs any desire to spread communism in Europe at the present time.

France's View

We come now to France and Great Britain, and with respect to these countries the situation is less clear, for the populations are divided and want different things. In the three dictatorships it is the governments alone that decide. In the democracies the voice of the people must be listened to.

France is torn by internal dissension. The more liberal and the radical members of the Popular Front have been shouting for intervention. They say that fascism must be kept out of Spain, and that decisive action on the part of the government would already have accomplished that end. They criticize the government for having held off.

Premier Blum, however, finds much support for his feeling that intervention would lead to war and that the one important thing is to remain at peace. He realizes that outside help is being given to Spain, and knows that many Frenchmen are joining in rendering that assistance, but his policy is to preserve the fiction of the non-intervention agreement as a screen to hide the international rivalry. As he sees it, Europe has everything to gain by remaining at peace and everything to lose by risking war.

Britain's Dilemma

As for the British, they are in as great a quandary as they have been for many years. Whatever happens in Spain, they stand to lose. If the fascists win, a new threat to Britain's position in the Mediterranean will have arisen. More than ever she will have to acknowledge the power of Mussolini. On the other hand, there are many people in Britain who look with dread upon the rise of radicalism in Europe. They have a great fear of communism and believe that if the loyalists win, the way will be paved for the extension of



"THEME SONG"

—Hutton in Philadelphia Inquirer

they will become bold enough to attempt the making of forceful changes in the map of Europe itself. It is suspected that if the policy of the dictators turns out well for them in Spain, Czechoslovakia will be the next country to suffer submission to fascism. And fear that the new German-Japanese accord may encourage the Japanese to strike at British interests in the Far East provides another source of uneasiness.

So it is a fearful dilemma in which the British find themselves. They hope, somehow or other, to keep the Spanish pot from boiling over, as the most immediate practical step toward peace. At the same time they are working frantically over their armaments in order that in another year or so they will be so powerful that their voice will command renewed respect. They believe, if they can do this, that they may be able to check the dictators.

Bluff with Bluff

The British and French are beginning to realize that the best way to deal with dictators is to meet bluff with bluff, strong words with strong words. Both nations have been more outspoken in recent weeks to make it plain that while they seek peace they will not submit forever to the tactics of Germany and Italy. The French go a bit further than the British and would like to conclude an outright Franco-Belgian-British alliance (with Russia hooked to France, on the side) to stand against the new German-Italian-Japanese combination. And the French are believed to be angling for American support by offering to reach a settlement on the war debts.

Thus we see that the Spanish civil war has threads attached to it which reach far into Europe and which threaten completely to disrupt the peace of the continent. Germany, Italy, and Russia feel that their interests are so deeply bound up in the war that they are ready to go almost to any lengths to achieve what they deem vital to their interests. It may be that they can restrict their contest to Spain, or that one or more of them will recoil before the point of open war is reached, but at the present moment it must be admitted that they are playing with the most dangerous kind of fire.



PLANTING THE SEEDS OF FASCISM IN SPAIN

These boys of Irun, one of the cities conquered by the rebels in the civil war, are dressed in black shirts and drilled after the fashion of fascists in other countries.

Russian alliance they may have to fight him off alone. They have seen Germany and Italy agree to coöperate against communism in Europe, and, more recently, an alliance forged between Germany and Japan. To the Soviets, all this spells but one thing, war against Russia in the future. The Soviets, therefore, are hoping to forestall the evil day by defeating fascism in Spain and by keeping the sympathy of France.

Some think that another Russian interest in the civil war lies in the wish to establish communism in Spain for its own sake. The

that doctrine in Europe, and perhaps in time to England itself. This consideration has taken on such importance that the conservative members of the government would prefer to see fascism win in Spain, with all that such an event will mean, rather than to see the country fall into radical hands.

But it is with fear and dread that the British witness the rise of German and Italian power on the continent. They know full well that if the dictators can continue bluffing their way from one success to another, the day will inevitably arrive when

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AROUND THE WORLD



Geneva: Officials of the League of Nations are seriously disturbed by the announcement of General Franco, leader of the Spanish rebel forces, that he intends to enforce a blockade against the port of Barcelona on the eastern coast of Spain. Although the rebel general, after insistent requests from London and the strongly suggestive dispatch of eight British submarines from the naval base at Malta, agreed to a zone of safety for British vessels, this has not diminished the possibility of a dangerous crisis resulting from the blockade. The difficulty lies in the fact that, except for Italy and Germany which have recognized Franco's régime, no nation has accorded him what is technically termed the status of "belligerent." In these circumstances, if Franco should attempt to stop a neutral vessel from entering the Barcelona harbor, he would actually be committing an act of piracy, which no

these increases may be regarded as indicative, not of a temporary and ill-founded boom, but of a proper and long-needed adjustment of the economic forces of the land.

Similarly, the government has made apparently effective efforts to improve the condition of the peasants engaged in agriculture. A modern irrigation system has done much to reclaim lands wasted by desert heats or uncontrolled floods. New highways and a vastly improved railway service have made it possible for farmers to ship their products quickly to the urban markets. Finally, the government has advanced far in the direction of doing away with the evils of farm tenancy. During the last 18 months, close to 10,000,000 acres of land, formerly owned by a few feudal landlords, have been parceled out to 300,000 families. Only this last month, some 50,000 acres of valuable British-owned cotton lands have been likewise distributed, and the new owners have been supplied with machinery for their cultivation. It should be noted, in passing, that in every case, the former owners were compensated for their land by government bonds; and though these are quoted at far from their full value, they are expected to increase with improved conditions.

Norway: Carl von Ossietzky, 38-year-old German pacifist now ill in a Berlin hospital, has been awarded the Nobel Peace Prize for the year 1935. The award, crowning months of effort in Mr. Ossietzky's behalf by peace organizations and prominent individuals the world over, has stirred up unusual resentment in Germany, where it is regarded as an insult to the Hitler régime.

Ossietzky first invited wide attention in 1931, when the weekly journal of which he was co-editor published articles denouncing the growing militarism of his government. These articles, together with an earlier one which revealed that Germany was secretly violating the Versailles Treaty by its extensive rearmament program, led to the imprisonment of the journalist. Although later released, he refused to flee the land and was placed in a concentration camp by the Nazis. It is claimed that the hard labor forced upon him while in custody ruined his health, and it was only after pressure that the German government was unable to disregard that he was released to a hospital. Asked to comment on the award, Mr. Ossietzky is reported to have said: "You will understand that I cannot say anything in my position." According to the most recent advices, Mr. Ossietzky will be compelled by the German authorities to use the prize money, approximately



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MEXICAN GOVERNMENT GIVES LAND TO PEONS

The government of Mexico is seizing large estates and is distributing them among the peasantry. Owners of the vast plantations are allowed to keep tracts of 360 acres. The peons are given 10 acres each. Photo shows peons and engineers gathered together as the peons are assigned parcels of land.

\$40,000, to set up a foundation against communism in Norway.

The peace prize for the year 1936, it has also been disclosed, was awarded to Carlos Saavedra Lamas, Argentine foreign minister who is presiding over the Pan-American Peace Conference in Buenos Aires.

Russia: Commenting upon the new Soviet Constitution which was presented for adoption last week to the Congress of Soviets meeting in Moscow, an editorial in the *New York Times* had this to say:

On various counts the adoption of the new Soviet Constitution is a political gesture of the first importance. The text is so liberal that it seems to abolish at a stroke the discriminations, restrictions, and repressions that have governed Russia for nineteen revolutionary years. Besides the right to vote freely and secretly, now granted regardless of class origins and to the collectivized peasants on the same basis as industrial workers, it guarantees religious freedom (while still prohibiting religious teaching), freedom of speech, press, and assembly. It permits ownership in personal property as distinct from land and the means of production. Hailed as a great reform is the provision protecting the citizen against arrest without warrant, and imprisonment by the police without due sanction by the court.

The Socialist Magna Charta, as it is described in Moscow, goes beyond the guarantees that are the commonplace of democratic rule. It also recognizes "new rights of man." Among them the right but also the obligation to work, the right to rest, paid holidays, free education of all kinds and economic provision in all the vicissitudes of life. These rights are not granted as the result of popular demand or agitation, both impossible under the existing system. They are a pure gift of Stalin and with natural pride of authorship he characterizes his masterpiece as a document of

which "millions have dreamed and are dreaming in capitalistic countries," and assures these envious millions that "what has been accomplished in the U.S.S.R. can be achieved elsewhere."

While agreeing that the new constitution marks a long step forward for Russia, older democracies will wait to see it work before they admit that it establishes the Soviet Union as the "greatest of the republics."

... The trouble is that she (Russia) wants the best of two worlds. The dictatorship is to be maintained, above and outside the elective Parliament. There is no indication that all power will not continue to reside in the political bureau of the Communist party, dominated by Stalin. There is no prospect that the ruling party will tolerate opposition, or that the voters will have any real choice as they cast their secret ballots.

... Even as a blueprint, however, Russia's new bill of rights is significant of the evolution of the revolution. It shows that the Soviets are on their way, and every believer in freedom must hope that the paper plan will eventually come true. The Russians have to prove, if they can, that communism is compatible with liberty.

Siberia: A strategic railway, running for 2,000 miles across Siberia, has now been completed by Russian engineers, two years ahead of schedule. The new line, branching off from the Trans-Siberian Railway west of Lake Baikal, passes through rich iron and coal regions, and then extends eastward to Komsomolsk, a city that is rapidly growing into the most important Soviet metropolis in the Far East.

Although the new railway does have, as its ultimate purpose, the development of the immense Siberian resources, hitherto barely exploited, its immediate significance lies in the military advantages it affords to Moscow in the event of a Russo-Japanese war. Should Soviet territory, just north of Manchoukuo, be invaded by Japanese arms, a possibility that at present is not at all remote, then the Russian government could rush men and munitions to its defense. Although the Trans-Siberian Railway could be used for the same purpose, the fact that it lies more to the south and consequently more open to Japanese attack has made it necessary to construct the new line. It was this phase of the vast project which was emphasized last week at the Congress of Soviets, gathered for its annual session.

The French government, it is reported, soon plans to begin negotiations with the United States for a settlement of France's war debt to this country.

Belgium has been informed by Foreign Secretary Anthony Eden of Britain, that if she should be attacked, British forces would come to her aid as they did in 1914.



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PRIZE WINNER

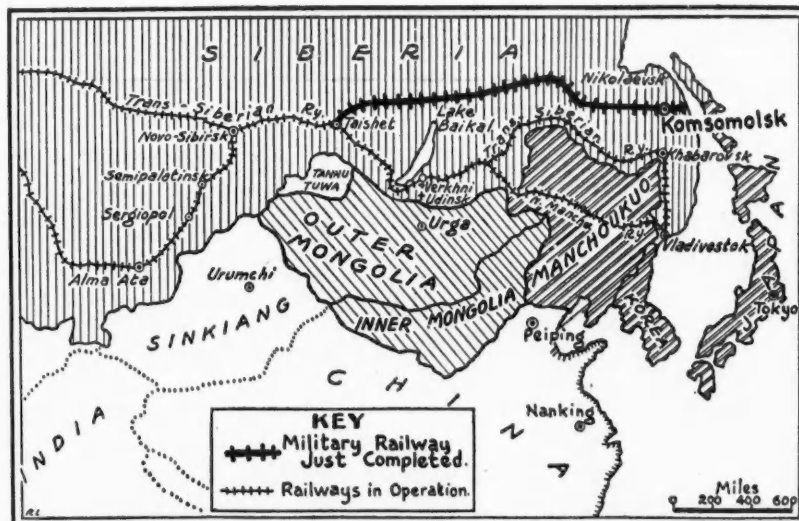
Carl von Ossietzky, German publisher, who has been awarded the 1935 Nobel Prize for Peace.

nation, because of her national prestige, could well tolerate.

One way of getting around this technical nicety would be for other powers, while not in any way granting recognition to Franco as the legal ruler of Spain, to accord him the right of a "belligerent." His action in searching neutral vessels would then be in accordance with international law. It is recalled that Britain took such a step during the American Civil War, when it recognized the belligerency of the Confederate States.

One difficulty, however, the most threatening, is that a legal blockade must be made what is termed "effective." That is, General Franco cannot legally declare a blockade unless he has sufficient naval force to prevent peaceful entrance to the harbor. Since it is well known that he does not have such a force, he would have to rely upon foreign aid to make his blockade "effective." A Russian vessel thus attempting to approach Barcelona might come face to face with Italian or German vessels. It is such an incident which is most feared in Geneva, since it might easily lead to war.

Mexico: Visitors to Mexico continue to report the economic and social progress made in that land since President Lazaro Cardenas assumed office, two years ago this month. Even during the first year of his administration, industrial activity showed a marked advance. For example, mining production increased 100 per cent over 1931, and petroleum 77 per cent. When coupled with the fact that higher wages have made it possible for the Mexican laborer to buy the products of industry,



—From Christian Science Monitor

THE SOVIET UNION'S NEWLY COMPLETED STRATEGIC RAILWAY TO SIBERIA WHICH WILL REINFORCE AND SUPPLEMENT THE TRANS-SIBERIAN RAILWAY.



SOCIAL SECURITY BOARD MEETS THE PRESS

With John G. Winant, reinstated as chairman, the Social Security Board holds its first conference with newspapermen. Left to right are Frank Bane, executive director of the board, Chairman Winant, and Louis Resnick, director, Bureau of Information Service.

© Harris and Ewing

A. F. of L. Session Closes

The annual session of the American Federation of Labor, recently held at Tampa, Florida, took a conservative position with respect to amendment to the Constitution. It refused to declare in favor of an amendment permitting Congress to regulate labor conditions and to provide for social welfare. The convention declared in favor of the 30-hour week. It re-elected William Green president of the organization, a position he has held since the death of Samuel Gompers in 1924.

Shortly after the adjournment of the convention, a monthly business survey of the American Federation of Labor made a declaration in favor of higher wages. It asserted that wages must go up in proportion to the increased profits made by industry. The report said that occasional increases of wages were not enough; they must continue in order that the workers of the nation may have more purchasing power. This added purchasing power is necessary in order that the workers may have enough money to give themselves a decent standard of living and buy the products of American industry. The theory is that if wages are low, the workers cannot buy what the farms and factories produce; then there will be surpluses, followed by

Last summer the average wage was 58 cents an hour, and two years ago, it was 56 cents. A wage of 73 cents an hour, with a 40-hour week, would give an annual income of about \$1,500.

It is interesting to compare this proposal of the American Federation of Labor with a program outlined by the Brookings Institution, an independent research organization. The labor leaders think that the way to give the American people enough purchasing power so that they may buy what the factories and farms can produce is to increase wages all along the line. The Brookings Institution argues that wage increases do not benefit the whole population. They leave out, for example, farmers and the middle classes. The Brookings economists declare that as costs of production go down, the producers should cut the prices of their products. Then general prices would be lower, and everyone—laborers, farmers, the middle classes, and all—would have more purchasing power, for they would be able to buy more goods. Such a plan, it is argued, would benefit workers as much as higher wages would, and it would also benefit other classes and render industry more stable. The Brookings Institution, it should be noted, does not oppose an increase of wages, but it does not think that wage increases of themselves constitute a complete answer to the problem of underconsumption by the whole population.

What Business Wants

What kind of program do the businessmen of America want the government to adopt? What are their objectives? They are not all agreed on the program, of course, but the Chamber of Commerce of the United States is fairly representative of business throughout the country, and it has come forward with the following suggestions:

(1) A reform of the undistributed profits tax by which large surpluses of corporations, if undistributed to the stockholders, are subjected to heavy taxes. (2) Reorganization and simplification of government departments. (3) Reduced expenditures, particularly a cut in work relief, and a balanced budget. (4) A reduction in loans on agricultural land. (5) An educational program by which persons on relief shall be instructed in skilled trades.

Strike Settled

It is not often that a strike involving so few workers has attracted such widespread attention as did the strike in the *Seattle Post-Intelligencer*, which began in August and closed just before Thanksgiving. It was a strike of labor on an unusually high level, for the men affected were newspaper workers, some of them in the editorial field. The strike was widely heralded also because the owner of the paper was the famous publisher, William Randolph Hearst, and because of the manner in which he combated the strikers.

The trouble began last summer when two employees of the paper were dismissed. The

charge against them was inefficiency, but it was believed by other employees that they were discharged because they were members of the Newspaper Guild, a recently organized union of newspaper writers. The chief issue thus became the right of newspapermen in the editorial field to form an organization and be recognized. When the men walked out, Mr. Hearst closed the office and did not attempt to put out the paper. The *Post-Intelligencer* did not appear during the period of the strike. Finally the publisher gave way and granted the essential demands of the union. Members of the organization are not to be discriminated against, and the cases of the discharged men are to be submitted to arbitration under the auspices of the National Labor Relations Board.

Mr. Hearst has turned the management of his Seattle paper over to John Boettiger, a young newspaperman formerly associated with the *Chicago Tribune*, who last year married Anna Roosevelt Dall, daughter of President Roosevelt. Mr. Boettiger's appointment is welcomed by the members of the union.

Child Labor Mounts

A report of the National Child Labor Committee declares that child labor has increased rapidly since the NRA codes have gone out of effect. "The greatest tragedy for children who toil," says the report, "is not in the striking examples of abuse which arise to plague us during a depression. They, by the extreme degree of their offense to humanitarian instincts, tend to bring their own corrective. The greatest tragedy lies in the extent to which the employment of children in even larger numbers during a time of business improvement is covered up and glossed over by the general complacency over the fact that 'times are getting better.' It appears to be hard for the individual who sees business and trade reviving to pause to consider the extent to which this process of creating wealth is being built upon the backs of children who need to be in school instead of having their youth ground out of them at labor."

Renewed efforts will be made to get the required number of states to ratify the Child Labor Amendment while the state legislatures are in session this winter. Twenty-four states have ratified this amendment which would give Congress the right to forbid the employment of children. Polls of opinion which have been conducted indicate that a great majority of the American people wish the amendment to be a part of the Constitution. It appears, however, that many of the people who wish to make child labor legislation possible are only mildly interested. They are not concerned enough to insist upon action. Minority groups, however, in the states which have not ratified, though fewer in number, are intensely inter-

ested and work so hard to defeat ratification that they succeed in their efforts.

A Balanced Budget?

Senator Pat Harrison of Mississippi, chairman of the Senate Finance Committee, expresses the opinion that the budget may be balanced by 1938. This means that in a little over a year the government may cease borrowing, for the 1938 budget deals with the revenues and expenditures of the government from the period July 1, 1937, to June 30, 1938. There have been many predictions about the budget, some of them optimistic and some of them pessimistic. Many of them have consisted of vague hopes or fears and have not been very significant, but considerable weight is given to Senator Harrison's statement, partly because he has a reputation of being careful about statements of this kind, and partly because he gives a substantial reason for the



(From a photograph by Willard D. Mead "U")

hope which he expresses. He points to the fact that for the first three months of 1936 there was an increase of 14 per cent in the government's revenues over the year before, and a drop of nine per cent in expenditures. This tendency of the revenues to rise and of the expenditures to fall has continued since then and there is reason to believe that it will go on much further. As recovery proceeds and business firms and individuals become more prosperous, their incomes rise and so do the income taxes. At the same time, the number employed by private companies is increasing and the relief rolls are diminishing. Unquestionably the financial situation of the government seems more favorable than it has at any time since the country entered into the depths of the depression.

Recovery Signs

Substantial rises in payrolls and production, steel production higher than in any month since 1929, a sharp rise in automobile production, more increases than usual at this season in mail-order sales, improvement in the meat-packing industry, crude-oil production, and freight-car loadings—these are some of the signs that the trend of American business is continuing upward, as cited by the Federal Reserve Board in its report covering October and the first part of November. Small declines were noted in the building and textile industries, from the September peak, but these industries always slow down somewhat at this time of year. And by the way of



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G. O. P. "MICHELSON"

Leo Casey, newspaperman, who has been appointed to act as press agent for the Republican party—a function similar to the one performed by Charles Michelson for the Democrats.

shut-downs, curtailment of production, unemployment, and crash.

This labor report declared that between 10 and 15 million American families have so little that they cannot maintain minimum health standards. This represents from a third to a half of the population of the country. It is held by the report that an income of 73 cents an hour is necessary in order that a worker may provide a family of four with a standard of living up to the health level.



TOWARD THE PROMISED LAND

—Bressler in Editor and Publisher

United States

Doing, Saying, and Thinking

confirmation that business has been on the upgrade for months comes the report that the total dividend payments voted by American companies in the month of November amounted to about \$800,000,000—compared with the previous record of \$576,000,000 in December, 1930.

Other business statistics confirm this report of the Federal Reserve Board in its description of the present recovery trend. Industrial production is now approaching the 1929 level. If we take the figure for the period 1923-1925 as 100, the industrial production for the year 1929 was 119. It fell in 1932 to 64. Last year, it had gone up to 90, and now it is estimated at 109. Less satisfactory are the figures with respect to factory employment. Again taking the years 1923-1925 as 100, we find that in 1929 the number of people employed in factories stood at 104.8. The increasing use of machines was getting in its effects even then, for from 1925

and a good deal of outgoing freight is held up. Even far-off Shanghai and Hongkong are affected, for the business in American goods there has almost completely stopped since no shipments from the Pacific coast have been coming in.

On the Atlantic coast, the shipowners insist that the strike has practically broken down; they claim that the ships scheduled to sail from New York have left with full crews in the last month, though some have been delayed a few days. Owners of two American shiplines, however, signed new agreements with the striking unions at New York on November 27, and the strikers claim that this is the beginning of a victory for them. So far, the shipping strike has been almost completely free from violence of any kind. Serious trouble occurred, however, at Cumberland, Maryland, on November 27 and 28, in the two-weeks-old strike at the plant of the Celanese Products Corporation. The plant had been closed by the company, but office workers and maintenance men still were going in, and outside guards had been hired. Strikers' pickets and these guards and maintenance men clashed. A score or more were injured. Both the union leaders and the company officials immediately asked for a rigid and impartial investigation, and the governor of Maryland said that if there were any more trouble he would take drastic action.

Meanwhile, the Labor Relations Board has been conducting a hearing on the recent strike of the Remington Rand Company employees; the Bendix strike at South Bend, Indiana (referred to in last week's AMERICAN OBSERVER) continues; and 1,200 workers at the Midland Steel Products Company's plant in Detroit are on a "sit down" strike in the mill, and pickets in the strike at the plant of the Berkshire Knitting Mills in Wyomissing, Pennsylvania, which began at the end of September, have started lying down on the sidewalks in front of the plant entrances to prevent anyone from getting in.

Rise and Fall

American history presents many examples of poor boys who have worked their way up to great wealth and power, and some of shattering collapse after the heights had been reached. Few, however, can match the record of the two Van Sweringen brothers, who, from the time they were young boys until Mantis J. Van Sweringen died last December, worked in the closest cooperation. Now their record has been completed, with the death, on November 23, of Oris P. Van Sweringen. Beginning as poor orphans in Wooster, Ohio, the two brothers gradually worked into the real estate business in Cleveland. In working out a big real estate development, they found they needed to use part of the right of way of the dilapidated and almost defunct Nickel Plate Railway. They were able to



ALL'S QUIET ON THE POTOMAC

—Hungerford in Pittsburgh Post-Gazette



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BUILDING AMERICA'S FIRST YOUTH HOSTEL

Civilian Conservation Corps workers begin construction on a youth hostel at Blue Mountain, near Peekskill, N. Y. It will serve as a stopping-off place for hikers, who will be able to spend the night for the sum of 25 cents. A man and his wife will act as caretakers and chaperons.

borrow enough money to buy this at a bargain price. That started them on the road which, by 1929, carried them into control of 25,000 miles of railway reaching from Lake Huron to the Rio Grande and from Richmond, Virginia, to Pueblo, Colorado. At the height of the 1929 boom, their railway holdings were worth over \$3,000,000,000, and their real estate and other properties added another \$100,000,000 to their joint fortune. But the dream of still more power dazzled them and, like so many others, they were caught in the crash of 1929. The towering financial structure which they had built by reorganizing railways and piling one holding company on top of another collapsed. They immediately began to try to rebuild their fortunes. But even by the time Mantis Van Sweringen died 11 months ago, they had succeeded in bringing the value of the joint estate back to only \$199,851. Now O. P. Van Sweringen also is dead.

Crop Insurance

As President Roosevelt pointed out frequently during his back-platform talks in the recent campaign, it is a bad thing for the farmers, the consumers of farm goods, and business generally, to have farm prices in one year four times as high as they are in another. Secretary of Agriculture Wallace, in a recent article in the New York Times, expressed the same idea by saying that the desire to prevent "wide extremes in prices" and to insure "an even and adequate supply of products of the farms" is behind the efforts to work out some form of crop insurance. The subject has been discussed for a long time; as early as 1899 private companies began experimenting with insuring crops against all risks, and the Department of Agriculture has been studying the problem for 15 years. But experience has shown that, in terms of the nation as a whole, merely insuring the farmers against losses in bad years is not enough; something needs to be done to make sure that they get reasonable prices for their crops even when good years bring exceptionally high yields. President Roosevelt has appointed a committee to consider plans for voluntary insurance by the farms, which includes Secretary of Agriculture Wallace, Dr. A. G. Black, chief of the Bureau of Agricultural Economics, H. R. Tolley, administrator of the AAA, Wayne C. Taylor, assistant secretary of the treasury, and Ernest G. Draper, assistant secretary of commerce. The administration does not plan, however, to make crop insurance one of the leading items in its agricultural program at present.

International Playspot

The finishing touches are being put on the arrangements for opening a vast area, partly in the United States and partly in Mexico, as a great public park. This will lie in the Big Bend region, where Texas and Mexico are separated only by the Rio Grande River. On the American side of the line, the National Park Service will administer the 1,500,000 acres that Texas is giving to the United States. The Mexican government will handle the 722,000 acres that are to be on its side.

THOUGHTS AND SMILES

A tourist traveling through the Texas Panhandle got into conversation with an old settler and his son at a filling station.

"Looks as though we might have rain," said the tourist.

"Well, I hope so," replied the native, "not so much for myself as for my boy here. I've seen it rain."

—Annapolis Log

Roosevelt Gets Ovation in Rio—Newspaper headline. He'd better be careful, or they'll be electing him President of South America.

The most important motive for work in the school and in life is the pleasure in work, pleasure in its result, and the knowledge of the value of the result to the community.—Albert Einstein, noted scientist

H. G. Wells, who would like to make a second film, admits his first was not so hot. Or, as they say in the trade, "colossal, in a small way."

—Atlanta Constitution

A magazine banner line, "She Never Went to School, but She Writes Scenarios." This will surprise all but movie critics.

—Rochester (N. Y.) Times-Union



© Harris and Ewing

TUGWELL'S SUCCESSOR

M. L. Wilson, assistant secretary of agriculture, who is expected to take Tugwell's place as undersecretary of agriculture. Wilson had much to do with the development of the AAA program.

Normalcy, indeed, is in our midst. Peggy Joyce is taking up marrying again.

—Washington Post

The marriage of King Edward and Mrs. Simpson, it is forecast, will not be a state ceremony, with the trappings and fanfare, but just a quiet, modest home wedding. That's what the king thinks.

—St. Louis Post-Dispatch

A psychiatrist says that by 1960 the entire population of the world will be in the insane asylums.—Press report. From which side of the wall was he speaking?

—Washington Post

INTIMES

Men "U. S. Camera—1936." Morrow.)

In 1929, while production was going up by 36 per cent, the number of men responsible for the production increased less than five per cent. And now toward the end of 1936, while industrial production is 109, factory employment stands at 90. The factories are producing nine per cent more than they were 11 or 12 years ago, but this increased quantity of goods is being produced by 10 per cent fewer workers. From these figures it is clear that the country will not give employment to all its laborers merely by getting back to 1929 levels of prosperity. We will have to go far beyond that if unemployment is to be wiped out.

Labor Troubles

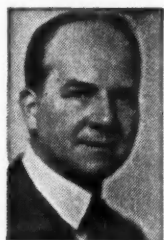
The shipping strike went into its second month on November 28 with 220 ships tied up and 37,000 men still idle on the Pacific coast. The two sides still are as far apart as ever on the question of whether the owners or the unions should manage the "hiring halls" at which workers are engaged for the transoceanic ships. The Pacific coast unions have agreed, however, to allow ships carrying food to Alaska to sail, and arrangements are nearly completed for a settlement between the unions and the owners of ships engaged in coastwise trade. Growing desperate over the heavy losses which they are suffering, the owners have appealed to the Department of Labor to intervene and end the strike. Meanwhile, the effects of the tie-up of ships on the Pacific coast are showing themselves in Hawaii, where several hundred tourists have been stranded

Historical Backgrounds

By David S. Muzzey and Paul D. Miller

Andrew Jackson and Franklin D. Roosevelt

IT IS clear to anyone who has studied American history that Franklin D. Roosevelt considers himself to be in a similar role to that played by Andrew Jackson more than a hundred years ago. In the address which he gave at the Jackson Day Dinner in Washington last January, the President drew a parallel between his position and that of "Old Hickory." Jackson was opposed by the business and financial interests of his day. "The great media for the dissemination of information and the molding of public opinion fought him." So devoted is Mr. Roosevelt to the Jacksonian tradition, and so convinced is he that he is carrying forward the same fight as that waged by Jackson, that he has requested the reproduction of the Hermitage, where Jackson lived at Nashville, to serve as a reviewing stand for the inaugural parade.



DAVID S. MUZZEY

Parallels in historical development are always dangerous, and one should not go too far in the present instance. However, it is a fact that Franklin D. Roosevelt and Andrew Jackson do stand in close relationship so far as their basic political and economic philosophies are concerned. Moreover, both represent strong social and economic forces which have played a part in the shaping of American history. It is fairly clear that both led movements of such a sweeping nature, representing deep-seated political currents, that their accession to power may, without exaggeration, be termed revolutionary in character.

Both Popular Leaders

However they may differ in personality and background, both Jackson and the present Chief Executive were placed in office by a strong popular movement. In the days of Jackson, the farmers of the newly opened West, "the men with bark on," as one historian has called them, rallied to the cause of the Tennessean as the great protector of their interests. To their way of thinking, John Quincy Adams and his administration represented the aristocracy, the financially powerful. And they were joined by the workers of the city, many of whom toiled from 12 to 15 hours a day for the niggardly wage of 75 cents a day. Had it not been for what we would today call the "labor vote," Jackson would certainly never have carried such industrial states of the East as New York and Pennsylvania.

Franklin D. Roosevelt entered the political scene with a similar backing. His appeal for the vote of the "forgotten man" was as effective as Jackson's appeal to the downtrodden. The previous Republican administrations were accused of looking out only for the interests of the industrialists and the financiers. Labor, the farmers, and generally those classes of the population which had fared the worst under the economic debacle, rallied to the support of the New Deal which Mr. Roosevelt promised.

And in the election which has just taken place, we find the alignment more strongly emphasized. Seldom before in the history of the nation have the business elements and all conservative groups been so unanimous in their opposition to a presidential candidate. While his reelection may not be attributed to the support of any single group, it was certainly the combined support of the economically underprivileged that resulted in the avalanche of November 3.

Under both the Jackson and the Roosevelt administrations we find the leadership principle put into effect. Both men had as powerful personalities as any of our presi-

dents. Both believed that the president should show initiative in shaping policies and influencing legislation and should not act merely to administer the laws passed by Congress. Andrew Jackson vetoed more laws than all previous presidents put together. So strongly did he act that many of his critics accused him of dictatorship, calling him King Andrew I. Similar accusations have been made against Mr. Roosevelt.

Few presidents in our history have had more serious quarrels with the Supreme Court than Jackson and Roosevelt. They are not the only ones, to be sure, for we know that Jefferson and Lincoln and Grant were extremely bitter about decisions of the Court declaring acts of Congress unconstitutional. But the economic philosophy of Andrew Jackson was in such direct opposition to the conservative philosophy of John Marshall and the majority of the Court that a conflict was inevitable. Jackson believed that the president had as much right to decide what was constitutional and what was not as the justices of the Supreme Court had.

It is certainly no secret that Supreme Court decisions on New Deal legislation have shown a philosophy the reverse of Mr. Roosevelt's own. His famous "horse-and-buggy" remark following the decision of the NRA clearly revealed the divergence between his own views and those of the Supreme Court. If the Congress does not have the power to regulate such industrial conditions as wages and hours of work, under the existing interpretation of the Constitution, he said in substance, it may become necessary to amend the Constitution so as to give Congress that power.

Economic Philosophy

Essentially, the tasks undertaken by the two Presidents we are studying are the same. The purpose of Jackson was to direct the economic forces in such a way as to give greater benefits to the common people. As we pointed out last week, the economic philosophy of Alexander Hamilton was being carried out by the national government, even though the Federalist party itself had died after the Jeffersonian deluge in 1800. It was Jackson's purpose to reverse this trend, to inaugurate policies which would favor the people, not the industrial interests.

Mr. Roosevelt's purpose is primarily the same. The record of his four years in office, together with his utterances during the campaign, indicate that he believes reforms can be made which will lead to a more just and equitable economic system. It is his avowed purpose to stamp out the abuses which he believes were responsible for the breakdown of 1929. He has attempted to benefit the workers by giving them higher wages, and has attempted to increase the purchasing power of the farmers by giving them higher prices. He believes that the forces of greed have resulted in untold suffering to the masses and that these forces must be curbed.

We know that Andrew Jackson failed in his major undertaking. Not only did he fail to reverse the economic trends of the day, but certain parts of his program actually had a bad effect upon the country. It was due largely to financial policies inaugurated during the Jackson administration that resulted in the Panic of 1837, which threw the whole nation into one of its periodic depressions. Whether Mr. Roosevelt's New Deal will have more fortuitous consequences is a matter on which only future historians can comment. His mandate from the American people is as clear as that of Jackson. Both represent an upsurging of popular opposition to previous policies and of popular demand for change. Upon the wisdom of policies launched during the next four years may well depend the future character of American civilization.



AT THE GATE OF SHIMBAM

From a photograph by the author in "Southern Gates of Arabia."

Among the New Books

Arabia

"The Southern Gates of Arabia: A Journey to the Hadhramaut," by Freya Stark (New York: E. P. Dutton & Co. \$3.75).

INSTEAD of brushing off a large number of disused superlatives, which might even then deal but meager justice to Miss Stark, one might as well say at the outset that she has written a classic book of travel. She journeyed alone through the interior of southern Arabia, in the Hadhramaut, along the ancient trade routes where incense was borne to the coast and thence to the known ports of the world. Today, the Hadhramaut is no longer a region of incense-bearing trees. It is rather bleak, its desolation tempered only by the occasional villages that rise like skyscrapers of mud to the sky. Miss Stark lived among the villagers, studied their customs, and came to know them very intimately. Needless to say, her narrative is authentic and human and couched in language that is always excellent and frequently distinguished. There are many descriptions only a sensitively poetic mind could hit upon, that rival the following: "Like a peacock's tail opening, night filled the sky."

G. K.

"Autobiography of G. K. Chesterton" (New York: Sheed and Ward. \$3).

GILBERT K. CHESTERTON'S autobiography, completed only a short time before his death last June, confirms the impression gathered from the large collection of his writings that he was unto his dying moment a very gay rebel. And



"CONVERSATION PIECE"

Title of a painting by James Gunn. The conversationalists are G. K. Chesterton, Maurice Baring, and Hilaire Belloc.

it would be quite reasonable to assume that even as his portly ghost was being ushered by St. Peter to the niche reserved for him, Mr. Chesterton gave that kindly disposed host a taste of his paradoxical wit. For it was his mood to question all things. He was not surpassingly modern. On the contrary, there was no more vehement defender in our age of all that was ancient and traditional. But in an age when rebels were conventional, he was a rebel among the rebels. He had little but contempt for present-day civilization and culture.

The oddest thing about him was that he was seldom right. He was rather more frequently wrong, but wrong in the most convincing and unanswerable way. And he is as consistently and charmingly wrong in his last volume as he ever was. To the reader acquainted with his other works he offers nothing that he has not said before, except for mentioning a few facts about his life with, as he would himself say, "a decent appearance of regularity." But even in repetition of his ideas, there is much pleasure and wisdom to be had from watching his mind work. For his mind, as the final judgment must be, was original; it brooked no solemn nonsense; above all, it was courageous without being a bore.

Art and Hollywood

"For the Sake of Shadows," by Max Miller (New York: E. P. Dutton & Co. \$2.50).

HOW the tender roots of the literary art are glamorously choked by Hollywood is the substance of Max Miller's slight but rather engaging volume. Though enough of a realist to appreciate that the film capital, in its insistence upon profits, is no more vicious than any other industrial center, Mr. Miller nonetheless deplores its attracting our most promising writers and then blighting their talents. The young writer has perhaps just begun the necessary discipline of frothing at mankind from his garret and revolving in his mind a masterpiece to make even the critics raise their studiously sobered eyebrows, when he suddenly finds himself offered a salary so fabulous as to induce a maharajah to stand on Union Square and, in envy, speak against economic injustice. The young writer immediately hastens to Hollywood, only to learn upon his arrival that he must follow a definite pattern if he desires the ciphers on his pay check to remain in solid phalanx. He is left only with the choice of finding a boy and a girl, separating them by the devices of a currently fashionable villain, and then finally bringing them together.



The place of the king in the British government. Is his interest in legislation a dangerous precedent? What are the objections to his romance?

THESE three imaginary students will meet each week on this page to talk things over. The same characters will continue from week to week. We believe that readers of THE AMERICAN OBSERVER will find it interesting to follow these discussions week by week and thus to become acquainted with the three characters. Needless to say, the views expressed on this page are not to be taken as the opinions of the editors of THE AMERICAN OBSERVER.

Mary: Did you read about the visit King Edward made a few days ago to a mining district in South Wales? I was very much interested in that story. The king went out among the common people and heard what they had to say. He learned of the frightful conditions under which they live. You see the mines have been closed for years in part of the Welsh coal country. The men have not had work during all this time. Families have been without incomes. The people have received a dole from the government, but it is a mere pittance. They have not had enough to eat. Children cannot be properly fed. They are stunted or diseased. The poverty is positively appalling and the inhabitants are practically without hope, for they cannot find employment in their own neighborhood, and they haven't the means to move to other parts of the country. Not only that, but there's no prospect that they could find work if they did move. That is the sort of situation the king of England investigated. It seems to me a fine thing that a king should show himself to be interested in the problems of the poorest of his people and that he should go out among them to discover what their troubles are.

Charles: I suppose that was a graceful gesture on the king's part, but it doesn't mean much. What can he do about it?

Mary: He promised the people that something would be done to improve their condition.

John: And he got himself into trouble by making that promise. The leaders of the British government are very angry about it. Prime Minister Stanley Baldwin held a cabinet meeting at which the king's conduct was discussed, and while the meeting was held in secret there seems to be no doubt but that His Majesty was severely criticized.

Mary: Why should he be criticized for telling unfortunate people that something would be done for them?

John: Because in England the king is not supposed to exercise governmental power. The government is carried on in his name, but not by him personally. That has been the case since about the time of George the Third. Decisions as to what the government will do are no longer made by the king but by parliament and the cabinet. When the king takes part in politics or undertakes to say how a problem shall be solved, he is meddling with affairs which do not belong to him. The people of England had a hard time getting power away from their kings and lodging it in the hands of representatives elected by themselves. They cannot afford to allow the kings to get their old power back. That is why the chosen representatives of the people, who are the leaders in the House of Commons and members of the cabinet, frown upon attempts by the king to influence legislation.

Mary: But in this case King Edward was trying to help poor, unfortunate people. He wasn't trying to act tyrannically.

John: But suppose he enters into politics and exercises an influence over legislation. He thus establishes the principle that the king is a real leader of the people to whom they look as a power in politics. The result may be good during the present reign, but a bad principle will have been established. And the next king may not be so public spirited. He may be selfish and despotic. Yet he will have real influence. The people will then have lost the gains they have made in their long struggle for democracy.

Charles: I don't think there's much to

that argument. I'm glad to see the smug, conservative cabinet embarrassed by what the king has done. He probably won't accomplish much, yet he has helped to build public opinion in favor of legislation for the helpless miners. There have been so many aristocratic kings that it is gratifying to see one who is democratic in his sympathies. If a king should try to be a despot, the people wouldn't put up with him for a month. But so long as he tries to serve them, they may follow his leadership and force the conservative government to do something for them.

John: Well, what do you think about King Edward's romance with Mrs. Simpson? He is breaking tradition there, too. At least he

didn't, they wouldn't keep a king. But if he marries a commoner he will seem more like an ordinary man. He won't command the reverence that kings usually do. People won't stand in awe of him. There will be more danger that they will do away with monarchy altogether.

Charles: Why shouldn't they?

John: They should if they want to. But remember that the British Empire is held together by the monarchy. The sole bond of union among England and Canada, Australia, South Africa, and other dominions, is that they have a common king. All of them look to the same king as their ruler. The British parliament doesn't rule over Canada. It is the king which binds them together. If the king disappears, the empire dissolves, and if he is held in less respect, the bonds of empire weaken. That is why I say that the recent conduct of the king, both in his trying to exercise political influence and in his handling of his love affair, becomes more than a personal matter. It constitutes a constitutional question of interest, not only to the British, but to people everywhere.

Mary: You are assuming, of course, that



A KING VISITS HIS POOR

King Edward recently went to South Wales in order to determine personally the extent of unemployment in distressed areas. He is shown in the center foreground, in derby and light coat.

will if he marries this woman, who is not of royal blood.

Mary: You asked Charles that question, but I'll give you my answer. I say that the king has a right to marry whomever he pleases. I respect him all the more because he wants to marry someone whom he loves instead of some princess whom he cares nothing for. Now that England has become a democratic nation, why should the people over there prefer that their king should marry into a royal family? And why isn't it as dignified a thing for him to marry an American, as a Greek, or a German, or a Belgian, or a woman of any other nationality?

John: I think we can all sympathize with King Edward as a human being. But he should remember his position as a king. If he violates custom and marries a woman who is not of royal blood, particularly if he marries an American and a divorcee, he will take the glamour away from the kingly office. Monarchy exists because of the halo that hangs over it. People look upon it as almost mystical and superhuman. If they

the English people will lose respect for the king if he expresses sympathy for the poor, and if he marries the woman of his choice. I doubt if that assumption is correct. The aristocracy won't like it. The social snobs will be horrified. But my guess is that the common people of England will continue to look upon King Edward as their friend, and that he will make the monarchy stronger than ever.

Charles: He suits me very well, but after all, I'm an American, so why should I worry about it? There are other problems that interest me more than what the king of England does.

Mary: It seems to me that Americans are showing about as much interest in the king as the English are. American newspapers have carried columns about both his romance and his visit to the mines. He is giving them something to talk about. And it is true, of course, that really important governmental problems are involved. It is also true that anything which affects one of the great democracies is of some importance to all of them.

"DOUBLE TAXES"

People who inherit property, or have a large enough personal income, or hold stocks in corporations and thus are interested in the corporation income, or use gasoline, or drink liquor, or use tobacco, pay taxes into the treasuries of both the federal and the state governments. From these six sources the federal government received \$2,271,400,000 in the year ending June 30, 1935, while the states got \$1,049,900,000 in the same period, according to a report of the Treasury Department on "double taxation" in the period 1930-35. The income of the states from these sources dropped by \$154,000,000, or 12 per cent, between 1930 and 1933, but it increased \$546,000,000, or 49 per cent, between 1933 and 1935. Part of this increase, however, was due to the fact that more states were collecting taxes under some of the headings. In 1930, for example, only 16 states collected personal and corporation income taxes, but in 1935 the number had increased to 30. Four-fifths of the income taxes are regularly collected in Massachusetts, New York, and Wisconsin, while Louisiana, Ohio, and Texas collect about half of the tobacco taxes. The federal government does not tap two important sources of state tax revenue: general sales, and motor vehicle registrations. These taxes paid the states \$560,000,000 in 1935.

LIQUOR CONTROL

Prohibition by constitutional amendment did not solve the liquor problem in this country; instead it led to an orgy of law-breaking and violent crime. But in killing the prohibition amendment by another amendment to the Constitution, the American people by no means said that they wanted to do away with all regulation of the liquor traffic. They proceeded to try out various plans of control—working through legislation in the different states—which was designed in one way or another to permit the temperate use of liquor but to prevent its abuse. Some of these laws have worked reasonably well; others have not. Now a committee has been formed in New York to analyze the results of the various experiments as a basis for working out more satisfactory regulation. This committee includes representatives of various religious, educational, health, business, and real estate interests, as well as of the producers and distributors of liquor. The liquor industry representatives are cooperating because they have come to realize that if there is not reasonable and workable regulation of the liquor traffic, the demand will become strong again for complete prohibition. The others are joining in because they too want to have the whole question dealt with sanely.

SOMETHING TO THINK ABOUT

1. Why has it always been difficult to put into effect a far-reaching program of government reorganization? Why is President Roosevelt in a better position than his predecessors to carry out such a plan?
 2. Why is it important to the future of the New Deal that an extensive plan of co-ordination and consolidation be inaugurated?
 3. Explain what is meant by the statement that the Spanish civil war has become a "Little World War."
 4. How is France directly affected by developments in Spain? How are England and Russia affected?
 5. What will be the international problems raised if General Franco declares an embargo of the port of Barcelona?
 6. In what respect, if any, is Franklin D. Roosevelt carrying forward the Jacksonian tradition?
 7. What is meant by "double taxation," and from what sources is it derived in the United States?
 8. What economic and social changes have taken place in Mexico during the last two years?
- PRONUNCIATIONS:** Carlos Saavedra Lamas (kar'los sah-vay'dra lah'mas), Lazaro Cardenas (la'sa-roe kar'day-nas), Ossietzky (oe-see-et'sky).

Roosevelt Prepares Reorganization of Government

(Continued from page 1, column 1)

rapid and extensive. New departments, presided over by cabinet members, were created, until a total of 10 existed, with the creation of the Department of Labor in 1913. The activities of the government grew by leaps and bounds. In addition to the regular departments there were established a number of independent agencies. Such independent branches have existed from the beginning, but increased more rapidly after the 1880's which set off a strong movement of reform. Thus we find springing into existence the Civil Service Commission, the Interstate Commerce Commission, and, with the regulatory legislation of the Wilson administration, a host of new independent agencies such as the Federal Reserve Board, the Federal Trade Commission, and the United States Tariff Commission.

Since the World War, bureau has been piled upon bureau and agency upon agency. The activities of the regular departments were expanded, with the result that subdivision after subdivision sprang up. Then came the period of greater governmental activity in order to cope with the depression. Even before the New Deal, new agencies of the government were established, such as the Reconstruction Finance Corporation. Since March 1933, the expansion of government agencies has been more rapid than at any time of peace in our entire history. Some of the alphabetical agencies created to carry out the legislation of the Roosevelt administration were designed to be temporary in nature, to be dismantled as soon as recovery is well on the way. Others will remain permanent parts of the governmental machinery. The National Labor Relations Board, the Social Security Board, the Agricultural Adjustment Administration, the Tennessee Valley Authority, the Resettlement Administration, the National Archives, the Securities Exchange Commission, the U. S. Maritime Commission, the Federal Deposit Insurance Corporation, the Federal Alcohol Administration, the Works Progress Administration,—these are a few of the dozens of new agencies that have spawned in Washington during the last few years. There seems little doubt that many of them, as well as others we have not named, will remain permanent adjuncts of the federal machine.

Overlapping

It is only natural that with the growing activities of the federal government, there should be a great deal of overlapping, duplication, and lack of efficiency. Frequently we find several agencies of the government carrying on the same type of work. Before the Roosevelt administration, there were about 10 different agencies dealing with power production. Now the number has greatly increased. About a dozen different agencies are dealing with housing, 10 dealing with the settlement of labor disputes, a dozen or so making loans to farmers. And the present grouping of the federal government is not always logical. We

find, for example, that the War Department carries on many activities which have nothing to do with war or national defense, the Department of Agriculture does many things that have nothing to do with farming. All along the line, from the regular departments to the independent agencies, we find overlapping, duplication, inefficiency. The situation which was described by a congressional committee in 1920, as follows, has become worse rather than better since that time. The commission noted:

... complex, indefinite, poorly designed organization; inadequate provisions for administrative control and supervision; apparent duplication between and within departments; conflict of authority and overlapping of functions; overmanning; unstandardized procedure; unnecessary records; and other unbusinesslike methods.

Reorganization Effected

President Hoover waged a more bitter fight for government reorganization than any previous president. In December 1932, he submitted to Congress a proposal for the regrouping of 58 agencies "in logical and orderly relation to each other as determined by their major functions and purposes." Being confronted at the time by a hostile Congress and having only a few months left in office, Mr. Hoover was unsuccessful, and what changes he did make were but a drop in the bucket.

President Roosevelt was given wide authority to consolidate and reorganize the government's administrative machinery. And he has put into effect a number of changes in the interest of greater efficiency. Several agencies dealing with problems of farm credit and scattered all over Washington were brought together in the Farm Credit Administration. An Office of National Parks, Buildings, and Reservations was created in the Department of the Interior to take over the functions of a number of other agencies which were abolished. Perhaps the most important shift made by the President was the creation of a Division of Territories and Island Possessions in the Department of the Interior to have jurisdiction over Alaska, Hawaii, and Puerto Rico. Part of the duties of this new branch had previously been performed by the War Department. In addition, there have been established many agencies which have no relation to the crisis. The National Archives was created to keep all important government documents, to cite but one example.

A Gigantic Task

Of course, the addition of some 40 boards, bureaus, commissions, authorities, councils, divisions, etc., to the federal structure has greatly complicated the whole problem and increased the confusion. There has been a notorious lack of coordination between the regular departments of the government and many of these newly established agencies. It is understood that the Senate Committee will concentrate most of its attention upon this particular phase of the problem of government reorganization.



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DEPARTMENT OF CONSERVATION?

Secretary of Interior Ickes would like to rename his department as part of a general reorganization program. This is the new Department of Interior Building in Washington, now nearing completion.

If President Roosevelt succeeds in putting into effect a really comprehensive plan of government reorganization, he will have accomplished something which none of his predecessors has been able to accomplish. At the same time, he will have inaugurated a reform which has long been considered overdue by students of government administration. There seems to be little doubt, however, that the President is going to undertake it, and on a grand scale. It is understood to be one of the first items on his program. "Every department, bureau, and commission has assimilated the idea that it is coming, understands that the President means it, is naturally apprehensive as to its effect," writes Frank R. Kent recently in his column in the *Baltimore Sun*.

While the need for reorganization is greater than ever before, the chances of its being successfully carried out are better than they have ever been. In the first place, it has frequently been pointed out that one of the chief weaknesses of the New Deal, during the last few years, has been poor administration of the measures enacted by Congress. The second Roosevelt administration's success or failure will depend to no small degree upon more efficient administration. The carrying out of policies, rather than the enunciation of new policies and the enactment of new legislation, will be the major task of the next four years. To accomplish this, government reorganization is considered essential.

As for the President's ability to carry out a vast and comprehensive program, he is far better situated than any of his predecessors. He has just received an overwhelming and unmistakable mandate from the American people to put into effect any program he desires. He is in complete control of both houses of Congress and should be able to overcome whatever opposition is raised to his plans of "consolidation, combination, and coordination." "No president," continues Mr. Kent, "has had an incentive equal to his opportunity to put the governmental house in order."

Many Obstacles

The principal difficulty in putting into effect any really comprehensive plan of reorganization will naturally come from those who will be directly affected by the changes. No department of the government is going to sit idly by and see some of its work abolished or transferred to another branch. The men whose jobs depend upon the continuation of that particular agency will fight reorganization tooth and nail, as they have always done in the past. Herbert Hoover, when secretary of commerce, recognized this primary obstacle when he said:

Cabinet heads necessarily take color from their subordinates, and subordinates are, from the nature of things, bound to be in opposition to serious change. . . . The men who are at the head of various bureaus and secondary functions of the government believe honestly and earnestly in the purpose of their service,

and they are bound to object to any change which seems to them would decrease their activities, reduce their personnel, or require them to take a less important position in some other grouping. They naturally and properly feel that the service which they direct is the most important function of the entire government, and that minimizing it in any direction would be wrong.

More graphically, Senator Byrnes expressed the difficulty when he declared on the floor of the Senate in 1933: "The nearest earthly approach to immortality is a bureau of the federal government." The War Department is opposed to being merged with the Navy Department into a Department of National Defense. It is also opposed to losing its nonmilitary activities. Secretary Ickes has said that his department has been "operated on so successfully" by "jealous and predatory colleagues that only a few of its vital organs remain." And so on down the line. All these obstacles (and they will find loud expression in Congress) must be overcome before any far-reaching overhauling of the federal machine is to be effected.

Proposed Changes

Just what changes will be recommended by the President is, of course, a matter of speculation, for he has as yet given no indication of the nature of his plans. It is believed, however, that the reorganization will be rather fundamental in character. It is considered probable that he will seek to coordinate all the welfare agencies, now existing as independent branches, into a new department under the direction of a cabinet member. Thus, the Social Security Board, the Works Progress Administration, the National Youth Administration, and perhaps the Civilian Conservation Corps, with whatever other welfare agencies that are likely to be permanent fixtures of the government, may be grouped into a new Department of Public Welfare. It has been rumored that the old proposal to merge the War and Navy Departments will be carried out, and that all government agencies whose function is to provide credit facilities will be grouped together.

On a broader scale, the recommendation will probably be made by at least one of the committees that the entire personnel of the government be reorganized on a new basis. Not only would this change involve the placing of most government workers under civil service, thus doing much to abolish the spoils system, but it would also mean the establishment of a career service, similar to that which makes the British system stand out as a mark of efficiency. In that case, the effect would be similar to that of an earthquake, for it would bring into the administration of the government an entirely new philosophy. It is not at all unlikely, as Mr. Kent points out, that if and when government reorganization is finally undertaken, "the whole governmental picture will have been changed."



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CIVIL SERVANTS FOR THE GOVERNMENT

A group of applicants taking a civil service typist examination in Washington, D. C.